

VZCZCXYZ0000
RR RUEHWEB

DE RUEHC #3842 0142013
ZNR UUUUU ZZH
R 142005Z JAN 09
FM SECSTATE WASHDC
TO RUEHML/AMEMBASSY MANILA 0000
INFO RUETIAA/DIRNSA FT GEORGE G MEADE MD 0000
RUEAIIA/CIA WASHINGTON DC 0000
RHMCSUU/FBI WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOG/USDOC WASHINGTON DC 0000

UNCLAS STATE 003842

SENSITIVE
SIPDIS
MANILA FOR GRAZYNA COFFIN

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [RP](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON LICENSE 050140763

REF: 09 STATE 2825

¶1. (U) This is an Action Request. See paragraphs 2 - 4.

¶2. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on license 050140763 for the export of firearms to the Philippines. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. (SBU) Reason for Request: Recent events and reports from Post indicate that the Philippine National Police (PNP) suffers from significant corruption in the regulation and distribution of firearms (REFTEL A AND B). In addition, the supporting documentation issued by the PNP does not match documentation provided in previous cases. This request is to establish the bona fides of this transaction.

¶4. (SBU) Action Request: Post is requested to establish the bona fides of this transactions by making appropriate inquiries to authorities of the PNP. Post is also requested to establish the bona fides of foreign intermediate consignee Twin Pines, whose owner Servando Topacio is affiliated with many other business interests involved in USML (especially firearms) imports to in the Philippines. The following points are included for guidance:

(TO THE PNP)

--Can you confirm the order of the firearms listed on this license application?

--Can you confirm that the firearms listed below are being purchased for testing and evaluation purposes? Please describe the tests and evaluations that will take place and explain their purpose.

--Can the PNP provide the purchase order and/or contract through which this transaction is taking place?

--For what will the firearms be used once the testing and evaluations are completed?

(TO TWIN PINES)

--Can you confirm that the firearms listed below are being purchased for testing and evaluation purposes? Please describe the tests and evaluations that will take place and explain their purpose.

--For what will the firearms be used once the testing and

evaluations are completed?

--With what other companies is Mr. Servando Topacio affiliated? In what capacities? What services and products are sold by these companies? Who are their regular customers and where do they reside? What are the annual sales for each of these businesses? Are you familiar with the regulations governing the import of U.S.-origin defense articles, including restrictions on re-transfer or re-export?

In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved.

15. (U) Details of license applications:

DTC Case: 050140763

QUANTITY/COMMODITY:

3 Sig Sauer Model 556 Rifles. 5.56mm Caliber

5 Sig Sauer Model SSG3000 Rifles, .308 WIN Caliber

3 Sig Sauer Model 556 SWAT Automatic Rifles, 5.56mm Caliber

License Value: USD \$30,161

SELLER:

Sig Sauer
18 Industrial Drive
Exeter, NH 03833

FOREIGN INTERMEDIATE CONSIGNEE:

Twin Pines Incorporated
Makati Cinema Square, FB 48, 1st Basement
Makati, the Philippines
(as provided on license)
Tel: (632) 727-5252 / (632) 911-1331 / (632) 721-2351

AND

Twin Pines Incorporated
#4 Liwayway Street
San Juan, Metro Manila
Philippines 1500
(as provided on purchase order)

FOREIGN END-USER:

Philippines National Police
Office of the Chief, PNP
Camp Crame
Quezon City, the Philippines

PURPOSE:

For exclusive use by the PNP for testing and evaluation purposes.

16. (U) Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

Pro Forma Invoice from Sig Sauer dated 07/09/2008 (NOTE: This invoice only lists 3 Sig Sauer SIG556 Rifles)

DSP-83 signed by Servando Topacio (Twin Pines) dated 10/02/2008, Florencio A. Caccam (PNP) dated 10/02/2008, and Melanie Fox (Sig Sauer) dated 11/20/2008

End-Use Statement issued by PNP dated 10/02/2008 signed by Servando Topacio and Florencio A. Caccam

Confirmation Letter from PNP dated 06/07/2008 signed by
Florencio A. Caccam

Purchase Order Ref# SIG2008002tpi from Twin Pines signed by
Servando Topacio dated 11/11/2008

¶7. (U) Please slug reply for PM/DTCC - BLUE LANTERN
COORDINATOR and include the words "Blue Lantern" and the case
number in the subject line. POC is Kyle M. Ballard, Phone:
202-663-1929; Email: BallardKM@state.gov; SIPRNET:
BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is
available as a PDF file in the Bunche Library's E-Book
Collection on the DOS Intranet:
[http://virtuallibrary.state.gov/
BlueLanternGuidebook2006%2520 final .pdf](http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520%20final.pdf)

¶8. (U) Department is grateful for Post's assistance in this
matter.
RICE